



April 2, 2020

ACG Coronavirus Update

OVERVIEW

- President Donald Trump is considering [grounding domestic flights](#) to virus hot spots as cases continue to surge across the country. Meanwhile, a record 6.6 million U.S. workers applied for unemployment benefits last week.

NEW RESOURCES

- [House Leadership Critical Infrastructure Proposal](#)
- [Senate RPC summary of the CARES Act](#)
- [The CARES Act Relief Funds Toolkit](#)
- [ACG's Title One Call with Senate Small Business Committee's Josh Duncan and Philip Todd](#)
- [Treasury Application for The Paycheck Protection Program for Small Businesses](#)
 - [Top-line overview of the program](#)
 - [Information for lenders](#)
 - [Information for borrowers](#)
- [Employee Retention Credit Information](#)

ADMINISTRATION

- The U.S. Chamber of Commerce [released new guides](#) for businesses of all sizes to secure relief under the CARES Act. The Treasury Department issued [details](#) on the Paycheck Protection Program and a [loan application available for download](#). Starting April 3, small businesses and sole proprietorships can apply for loans. Starting April 10, independent contractors and self-employed individuals can apply for loans.
- The Treasury Department and the Internal Revenue Service [launched](#) the Employee Retention Credit, designed to encourage businesses to keep employees on their payroll. The refundable tax credit is 50 percent of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.
- The Treasury Department announced late Wednesday that Social Security recipients who typically don't file tax returns will automatically receive their stimulus payments and will not have to file tax returns in order to receive their checks. The announcement comes after the IRS released guidance that suggested Social Security beneficiaries would need to file tax returns to receive the money. Read full announcement [here](#), read more [here](#).
- The Federal Reserve announced Wednesday night that it is temporarily loosening financial institutions' supplementary leverage ratio (SLR) rules to absorb some of the stress in Treasury markets. The SLR applies to large banks with assets in excess of \$250 billion. The rule change eases the banks' ability to continue to hold cash and Treasury bonds on their balance sheets while

Treasury yields remain low and banks are flooded with increased deposits. While the leverage ratio is intended to reduce banks' risk profiles, the change will give banks additional space to continue lending in the face of market pressures. Read full announcement [here](#).

- The Treasury Department [plans](#) to hire three Wall Street banks for advice on how to roll out the billions of dollars in aid to the airline industry. Each bank is likely to advise on aid to one of three subsectors: commercial airlines, cargo carriers and firms critical to national security. The department is considering PJT Partners, PJT Moelis, and Perella Weinberg Partners for guidance.
- Surgeon General Jerome Adams said Wednesday he believes the federal government's social distancing guidance may extend past April 30th. "In 30 days, some places may not need to have a shelter in place anymore," Adams told NBC's "Today" show. "So, again, we'll start to ease this in 30 days, I think, in some places. But in other places, we'll be ramping it up. We'll follow the data, and we'll go on based on what the data tells us."
- Palantir is [working](#) on a project with the Centers for Disease Control and Prevention (CDC) to analyze the spread of COVID-19 and hospital capacity to deal with the surge in cases. The model attempts to identify the location for the next outbreak, so CDC can predict what resources are required. "In the U.S. we are continuing to work closely with our partners at HHS, including CDC, and across the government agencies to ensure they have the most comprehensive, accurate and timely view of information as the COVID-19 response effort evolves," a Palantir spokesperson said.

CONGRESS

- Speaker of the House Nancy Pelosi (D-CA) [announced](#) today the creation of a new House committee addressing the coronavirus crisis, led by House Majority Whip Jim Clyburn (D-SC). The bipartisan panel will "examine all aspects of the federal response to the coronavirus and ensure the taxpayers dollars are being wisely and efficiently spent." Pelosi said that the committee would have subpoena power.
- House Democrats continue to work on crafting phase four of coronavirus legislation. The legislation will build on a [\\$760 billion infrastructure proposal](#) unveiled by the Democrats in January, which features new funding for roads, high-speed rail, airports and broadband networks around the country. The [proposal](#) also includes an extra \$10 billion dollars for the community health centers. "We need to invest in our infrastructure to address some of the critical impacts and vulnerabilities in America that had been laid bare by the coronavirus," Pelosi said on Wednesday. President Trump hasn't released a written infrastructure plan, though he has consistently called for widespread funding to rebuild the nation's highways and airports. During Wednesday night's press conference, he said, "I proposed a \$2 trillion infrastructure plan that would not only fix our roads and highways and bridges and tunnels and other things, but will also do something very good. It's called jobs." Congress will work on the legislation in the coming weeks and Pelosi suggested a vote in late April.
- Senate Democrats are [urging](#) the White House to nominate an inspector general to oversee the \$500 billion funding program "without delay." The new Special Inspector General for Pandemic Recovery (SIGPR) must be nominated by the White House and confirmed by the Senate. The [letter](#), signed by Senate Minority Leader Charles E. Schumer (D-NY), Senate Banking Committee Ranking Member Sherrod Brown (D-OH), and Senate Finance Committee Ranking Member Ron Wyden (D-OR) states, "[Treasury Secretary Steven Mnuchin], on behalf of the

Administration, negotiated and agreed to the scope and terms of the SIGPR authority, both generally to Congress and to each of us personally.”

- U.S. Senator Sherrod Brown (D-OH), Ranking Member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs is pushing for legislation to help homeowners and renters during the pandemic. Senator Brown is calling for new housing assistance to be included in the next relief package. Read press release [here](#).

Financial Services

- Five federal financial regulatory agencies on Thursday announced that they will consider comments submitted before May 1, 2020, on their proposal to modify the Volcker rule’s general prohibition on banking entities investing in or sponsoring hedge funds or private equity funds—known as “covered funds.” Read full announcement [here](#).

Health Care

- Amgen is the latest drugmaker to [join](#) the race to develop a coronavirus treatment. The company is partnering with Adaptive Biotechnologies and will be using an antibody strategy to develop treatment. More than 115 companies are trying to develop drugs or vaccines for Covid-19, including Johnson & Johnson, Gilead Sciences and Moderna.

ADDITIONAL RESOURCES

- [Guidelines and Application Procedures for Payroll Support to Air Carriers and Contractors under Division A, Title IV, Subtitle B of the CARES Act](#)
- [Procedures and Minimum Requirements for Loans to Air Carriers and Eligible Businesses and National Security Businesses under Division A, Title IV, Subtitle A of the CARES Act](#)
- [COVID-19 Projections](#)
- [The CARES Act Relief Funds Toolkit](#)
- [FAQ document Sen. Marco Rubio’s Office](#)
- [CARES Act](#)
 - [Unemployment Insurance Provisions one-pager](#)
 - [Small Business Loan Provisions one-pager](#)
 - [Title IV one-pager](#)
 - [Key Tax Provisions Summary](#)
- [Paycheck Protection Program and EIDL Grant Flowchart](#)
- [Congressional Research Service: CARES Act](#)
- [Recording of ACG & ACGA Policy Call: The Great American Stimulus](#)
- [Q&A Coronavirus Policy Briefing](#)
- [Coronavirus International Travel Updates](#) and [A Guide to State Coronavirus Lockdowns](#)
- [COVID-19 Treatment and Vaccine Tracker](#)
- [Guidance on the Essential Critical Infrastructure Workforce](#)
- [Summary of Families First Coronavirus Response Act \(H.R. 6201\)](#)
- [List of House Democrats Coronavirus staff points of contact](#)
- [COVID-19 Media updates](#)
- [The Johns Hopkins Tracker](#)